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Subject: Talking points on SB 260

SENATE TAXATION
EXHIBIT NO. 6
DATE 3.17.09
BILL NO. SB 260

Leo-

Good morning. Please find a talking points paper attached that outlines the bill as amended. I did not have space to outline the four changes specifically. Those are below.

Please let me know if you have any questions.

We have a call this morning at 8 to finalize the rest of the talking points and the plans for next week. I will touch base after that.

Thanks for everything.

Lindsay

Four changes in bill:

- 1) Creates a new tax on the recapture of depreciation and depletion when a non resident partner sells their interest in the PTP.
- 2) Requires the PTP to provide the final K-1 issued in addition to those for partners with more than \$500 of Montana source income.
- 3) Requires the PTP to provide the annual report in an electronic format that can be sorted and exported.
- 4) Clarifies that the provision does not exempt any partner or entity from paying Montana income tax.

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